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LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 191)



LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 488)

**JOINT ANNOUNCEMENT
VERY SUBSTANTIAL DISPOSAL**

**DISPOSAL OF EQUITY INTEREST IN
THE ENTITY OWNING THE SPL PROPERTY**

THE DISPOSAL

On 9 December 2025 (after trading hours), the Vendor, a wholly-owned subsidiary of LSD, entered into the Sale and Purchase Agreement with, among others, the Purchaser for the sale of the Sale Shares, which represents all issued shares of Surearn Profits, free from Encumbrances together with all benefits and rights attached thereto on Completion.

As at the date of this joint announcement, Surearn Profits only holds the legal and beneficial interest of 50% of the entire issued share capital of Diamond String, which in turn holds the entire legal and beneficial interest of the Property and assets and liabilities related to the Property. The Vendor shall procure the Winding Up and distribution of the Property pro rata to the shareholdings of Diamond String. The Vendor's 50% share in the Property is represented by the SPL Property. Upon the aforesaid distribution and prior to Completion, the SPL Property and other assets of Diamond String comprise the deposits paid by the Tenants and deposits paid to the property manager in respect of the SPL Property, will be distributed and transferred to Surearn Profits. Following Completion, the Vendor will cease to hold any interest in the SPL Property or Surearn Profits.

The Consideration shall be the aggregate of the Agreed Property Value (namely HK\$3,498,000,000) and the Net Current Asset Value of Surearn Profits on Completion, determined in accordance with the Sale and Purchase Agreement. The proceeds are expected to strengthen the financial position of the LSG Group and the LSD Group by increasing cash inflows and reducing borrowings, with an estimated net cash inflow of approximately HK\$2,400,000,000. As at 31 July 2025, LSG Group and LSD Group had net current liabilities of HK\$5,420,000,000 and HK\$4,506,000,000, respectively. Taking into account the successful refinancing of Cheung Sha Wan Plaza syndicated loan on 30 September 2025 at the LSD Group level and assuming the completion of the Disposal, both LSG Group and LSD Group would turn from net current liabilities to net current assets.

Completion of the Disposal is expected to take place in January 2026.

LISTING RULES IMPLICATIONS

The Vendor is a wholly-owned subsidiary of LSD and an indirect non-wholly-owned subsidiary of LSG (through LSG's shareholding in LSD). As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes very substantial disposals for each of LSG and LSD pursuant to Rule 14.06(4) of the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LSG

The Disposal is subject to the approval of the LSG Shareholders at the LSG GM by way of poll. A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules, and the notice convening the LSG GM will be despatched by LSG to the LSG Shareholders.

LSG proposes to hold the LSG GM on Wednesday, 31 December 2025. The record date for determining the LSG Shareholders' entitlement to attend, speak and vote at the LSG GM is Tuesday, 23 December 2025. To ascertain the entitlement to attend, speak and vote at the LSG GM, LSG Shareholders must lodge the relevant transfer document(s) and share certificate(s) at the office of LSG's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 23 December 2025 for registration.

LSD

The Disposal is subject to the approval of the LSD Shareholders at the LSD GM by way of poll. A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules, and the notice convening the LSD GM will be despatched by LSD to the LSD Shareholders.

LSD proposes to hold the LSD GM on Wednesday, 31 December 2025. The record date for determining the LSD Shareholders' entitlement to attend, speak and vote at the LSD GM is Tuesday, 23 December 2025. To ascertain the entitlement to attend, speak and vote at the LSD GM, LSD Shareholders must lodge the relevant transfer document(s) and share certificate(s) at the office of LSD's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 23 December 2025 for registration.

Expected time for despatch of circulars

Taking into account the time anticipated for preparing the necessary information for inclusion in the circulars, it is expected that the circulars shall be despatched to the LSG Shareholders and the LSD Shareholders (as the case may be) on or before 16 December 2025. If there is any delay in despatch of the circulars beyond 16 December 2025, LSG and LSD will make further announcement(s) as appropriate in accordance with the requirements of the Listing Rules.

THE DISPOSAL

On 9 December 2025 (after trading hours), the Vendor, a wholly-owned subsidiary of LSD, entered into the Sale and Purchase Agreement with, among others, the Purchaser for the sale of the Sale Shares, which represents all issued shares of Surearn Profits, free from Encumbrances together with all benefits and rights attached thereto on Completion.

As at the date of this joint announcement, Surearn Profits only holds the legal and beneficial interest of 50% of the entire issued share capital of Diamond String, which in turn holds the entire legal and beneficial interest of the Property and assets and liabilities related to the Property. The Vendor shall procure the Winding Up and distribution of the Property pro rata to the shareholdings of Diamond String. The Vendor's 50% share in the Property is represented by the SPL Property. Upon the aforesaid distribution and prior to Completion, the SPL Property and other assets of Diamond String comprise the deposits paid by the Tenants and deposits paid to the property manager in respect of the SPL Property, will be distributed and transferred to Surearn Profits. Following Completion, the Vendor will cease to hold any interest in the SPL Property or Surearn Profits.

The Consideration shall be the aggregate of the Agreed Property Value (namely HK\$3,498,000,000) and the Net Current Asset Value of Surearn Profits on Completion, determined in accordance with the Sale and Purchase Agreement. The proceeds are expected to strengthen the financial position of the LSG Group and the LSD Group by increasing cash inflows and reducing borrowings, with an estimated net cash inflow of approximately HK\$2,400,000,000. As at 31 July 2025, LSG Group and LSD Group had net current liabilities of HK\$5,420,000,000 and HK\$4,506,000,000, respectively. Taking into account the successful refinancing of Cheung Sha Wan Plaza syndicated loan on 30 September 2025 at the LSD Group level and assuming the completion of the Disposal, both LSG Group and LSD Group would turn from net current liabilities to net current assets.

Completion of the Disposal is expected to take place in January 2026.

Sale and Purchase Agreement

The principal terms of the Disposal are summarised as follows:

Date: 9 December 2025 (after trading hours)

Parties: (i) the Vendor, a wholly-owned subsidiary of LSD, as vendor;
(ii) the Purchaser, as purchaser; and
(iii) LSD, as guarantor of the Vendor.

Transaction structure: As at the date of this joint announcement, Surearn Profits only holds the legal and beneficial interest of 50% of the entire issued share capital of Diamond String, which in turn holds the entire legal and beneficial interest of the Property and assets and liabilities related to the Property. The Vendor shall procure the Winding Up and distribution of the Property pro rata to the shareholdings of Diamond String. The Vendor's 50% share in the Property is represented by the SPL Property. Upon the aforesaid distribution and prior to Completion, the SPL Property and other assets of Diamond String comprise the deposits paid by the Tenants and deposits paid to the property manager in respect of the SPL Property, will be distributed and transferred to Surearn Profits. Following Completion, the Vendor will cease to hold any interest in the SPL Property or Surearn Profits.

Immediately following such distribution and prior to Completion, Surearn Profits will transfer the DSL Shares to a member of the Vendor's Group (other than the Group Companies) at nominal value, pursuant to which Surearn Profits shall cease to hold any equity interest in any entity. Upon the Winding Up, any remaining assets of Diamond String, if any, will be distributed to the respective shareholders of Diamond String.

The Disposal comprises the sale of the Sale Shares (representing all issued shares of Surearn Profits) free from Encumbrances together with all benefits and rights attached thereto on Completion by the Vendor to the Purchaser. Upon Completion, each of the LSG Group and the LSD Group will cease to hold any interest in Surearn Profits or the SPL Property.

Consideration:

The Consideration shall be the aggregate of the Agreed Property Value (namely HK\$3,498,000,000) and the Net Current Asset Value of Surearn Profits on Completion determined with reference to the Pro Forma Completion Accounts as agreed between the Vendor and the Purchaser.

The Agreed Property Value was determined following arm's length negotiations between the Purchaser and the Vendor. According to the valuation conducted by an independent valuer engaged by the Vendor, the valuation of the share of Surearn Profits in the Property as at 31 July 2025 was HK\$3,750,000,000. In agreeing at the Agreed Property Value, which represents a 6.7% discount to the aforesaid valuation as at 31 July 2025, the Vendor has considered factors including the prevailing macroeconomic conditions and sentiment in the Hong Kong commercial property market, which continue to face challenges and are expected to remain uncertain. Taking into account the aforesaid factors and the reasons and benefits of the Disposal to the LSD Group and the LSG Group as further described in "Reasons for and Benefits of the Disposal" below, the Vendor considers the Agreed Property Value to be reasonable.

According to the management accounts of Surearn Profits as at 30 September 2025 and assuming that the Disposal had consummated, the Net Current Asset Value is estimated to be approximately HK\$(25,000,000) (i.e. net current liabilities of HK\$25,000,000). The Net Current Asset Value is expected to be approximately the same at Completion. Please refer to the paragraph headed "Calculation of Net Current Asset Value" below for the basis of calculating the Net Current Asset Value and the adjustment of the Consideration (if any).

The Consideration shall be paid by the Purchaser in the following manner:

- (i) the Deposit shall be paid by the Purchaser and deposited into the Escrow Account upon signing of the Sale and Purchase Agreement;
- (ii) subject to the receipt by the Purchaser of *inter alia* all duly-executed Purchaser Loan Security Documents (unless the Purchaser otherwise agrees in writing), the Purchaser will advance the Purchaser Loan (which shall be applied to repay the LSD Loan (estimated to be approximately HK\$850,000,000) and Surearn Profits' share of the expected outstanding DSL Loan (estimated to be approximately HK\$195,000,000 out of the total HK\$900,000,000)) on or before the Completion Date. The Purchaser Loan shall be repayable upon Completion, and shall be deducted and set-off from and against the balance of the Consideration; and
- (iii) the balance of the Consideration shall be paid by the Purchaser to the Vendor on Completion.

Calculation of Net Current Asset Value:

The Net Current Asset Value shall be calculated as at Completion, all current assets (but excluding deferred tax assets and the SPL Property) of Surearn Profits including cash at bank of Surearn Profits less the aggregate of all liabilities of Surearn Profits (but excluding Vendor Loan and deferred tax liabilities).

Within 30 Business Days after the Completion Date, the Vendor shall at its cost, instruct the auditor to audit the management accounts as at the Completion Date and ensure the delivery of the Audited Completion Accounts and tax computation for the period from 1 January 2025 to the Completion Date.

If adjustment shall be required to be made pursuant to the Final Completion Statement, the difference between the adjusted Consideration and the Consideration shall be paid by the Purchaser to the Vendor and the surplus between the adjusted Consideration and the Consideration shall be refunded to the Purchaser, both within 10 Business Days after the date when the Final Completion Statement is finalised.

Capitalisation of
Vendor Loan:

The Vendor Loan (estimated to be approximately HK\$62,800,000 prior to Completion) shall be capitalised, in accordance with applicable laws and the memorandum and articles of association of Surearn Profits, by the issue and allotment of one additional ordinary share in Surearn Profits (forming part of the Sale Shares) credited as fully paid, with the balance of the Vendor Loan (after crediting the nominal value of such share) being credited to the capital reserve of Surearn Profits, such that there will be no outstanding loan, indebtedness or liability (actual or contingent), contract, arrangement or other amount (if any) owing between Surearn Profits and the Vendor at Completion.

Conditions precedent:

Completion shall be subject to the satisfaction (or, where applicable, waiver by the Purchaser) of the following (the “**Conditions**”):

- (a) the EGM Approval;
- (b) the assignment of the SPL Property having been entered by the liquidators of Diamond String in favor of Surearn Profits under which the SPL Property is assigned to Surearn Profits as being part of the asset of Diamond String distributed to Surearn Profits during the voluntary winding up of Diamond String, with Surearn Profits being the sole legal and beneficial owner of the SPL Property subject to the Tenancies subsisting at the material time and the terms of the Sale and Purchase Agreement but otherwise free from Encumbrances (the “**SPL Property Assignment**”);
- (c) the deed of mutual covenant of the Property being duly executed by the owner and the manager named therein immediately after the distribution of assets by Diamond String;
- (d) the Vendor being the sole legal and beneficial owner of the Sale Shares free from Encumbrances together with all benefits and rights attached thereto on Completion;
- (e) Surearn Profits being able to show and give title to the SPL Property in accordance with the Conveyancing and Property Ordinance;
- (f) the Vendor’s fundamental warranties remaining true, correct and not misleading in all respects and the other warranties remaining true, correct and not misleading in all material respects;

- (g) the consents of the Lender (as applicable) in writing with respect to the transactions contemplated under the Sale and Purchase Agreement;
- (h) no material adverse change having occurred before or on the Completion Date; and
- (i) the Vendor Loan having been capitalised as contemplated under the Sale and Purchase Agreement.

If any of the EGM Approval or the SPL Property Assignment are not fulfilled pursuant to the terms of the Sale and Purchase Agreement by the Long Stop Date, either the Purchaser or the Vendor shall be entitled to terminate the Sale and Purchase Agreement whereupon the Vendor shall procure the release and return of the Deposit to the Purchaser but without interest, costs or compensation, and shall pay to the Purchaser an amount equivalent to the Deposit, following which none of the parties shall have any further claim or cause of action under the Sale and Purchase Agreement.

If any of the Conditions is not satisfied or (as applicable) waived by the Purchaser on or before Completion, then the Purchaser may by notice in writing to the Vendor terminate the Sale and Purchase Agreement whereupon the Vendor shall (i) procure the release and return of the Deposit to the Purchaser but without interest, costs or compensation, (ii) immediately repay the Purchaser Loan, and (iii) pay to the Purchaser an amount equivalent to the Deposit.

As of the date of this joint announcement, the conditions precedent have not yet been declared to be satisfied or waived.

Guarantee: LSD, as guarantor of the Vendor, irrevocably and unconditionally guarantees as a primary obligation to the Purchaser the performance of the Vendor's obligations in connection with the Disposal; and the payment, on demand, of any sum which the Vendor fails to pay to the Purchaser under or in connection with the Disposal as if it was the principal obligor.

Completion: Completion shall take place on the Completion Date subject to the terms and conditions of the Disposal including satisfaction (or, where applicable, waiver) of the conditions precedent as mentioned in the paragraph headed "Conditions precedent" above.

INFORMATION OF SUREARN PROFITS AND THE SPL PROPERTY

Information of Surearn Profits

Surearn Profits is a private company limited by shares incorporated in the British Virgin Islands. As of the date of this joint announcement and prior to the completion of the Winding Up, it is the legal and beneficial owner of 50% of the entire issued share capital of Diamond String, which is the sole legal and beneficial owner of the Property and related assets, and does not hold any other assets.

Diamond String is a private limited company incorporated under the laws of Hong Kong. Pursuant to the Winding Up, the Property and other related assets and liabilities of Diamond String shall be distributed in specie to the shareholders of Diamond String in proportion to their respective shareholding in Diamond String. Among other things, Surearn Profits will become the sole legal and beneficial owner of the SPL Property prior to Completion.

The Property is situated in the central business district of Hong Kong. It is a 27-storey office tower with a total GFA of approximately 229,206 square feet (excluding car parking spaces).

The SPL Property was delineated through arm's length negotiations between the shareholders of Diamond String with the aim of a 50:50 split by value in respect of the Property. Given differences in factors including floor sizes and configurations, tenancy profile and rents and car park characteristics, the agreed allocation therefore targets parity by value as opposed to a simple division by GFA, and the SPL Property carries the corresponding undivided shares in the land and common parts under the deed of mutual covenant.

The resulting SPL Property refers to the exclusive right and privilege to hold, use, occupy and enjoy specified parts of the Property, together with the corresponding undivided shares in the land and building to be allocated under the deed of mutual covenant of the Property, namely: first floor foyer area; the whole of the 5th, 6th, 7th, 8th (with flat roof), 9th, 10th (with flat roof), 11th, 12th, 15th, 22nd and 26th floors with a total GFA of approximately 111,622 square feet; and the 18 car parking spaces B2-1 to B2-10 on Basement 2 and B3-6 to B3-13 on Basement 3.

As at the date of this joint announcement, Surearn Profits is wholly-owned by the Vendor. Upon Completion, the Purchaser shall hold the entire equity interest in Surearn Profits, and Surearn Profits will cease to be a subsidiary of any of the Vendor, LSD and LSG.

Financial Information of Surearn Profits

The table below sets out certain unaudited financial information of Surearn Profits for the years ended 31 July 2024 and 2025:

	2025 (unaudited) HK\$'000	2024 (unaudited) HK\$'000
Net loss before taxation	(700,248)	(266,004)
Net loss after taxation	(700,248)	(266,004)

Based on the unaudited management accounts of Surean Profits, the unaudited net asset value of Surearn Profits as at 31 July 2025, excluding the Vendor Loan, was HK\$3,192,272,000.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the British Virgin Islands with limited liability. The Purchaser is an investment holding company.

To the best of the LSG Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of LSG and its connected persons.

To the best of the LSD Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of LSD and its connected persons.

INFORMATION OF LSG, LSD AND THE VENDOR

LSG is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the LSG Group include property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities and investment holding. LSG owns approximately 55.60% of the total issued shares of LSD as at the date of this joint announcement.

LSD is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the LSD Group include property investment, property development, investment in and operation of hotels and restaurants, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, development and operation of and investment in cultural, leisure, entertainment and related facilities and investment holding.

The Vendor is a company incorporated in the British Virgin Islands with limited liability. It is a wholly-owned subsidiary of LSD and an indirect non-wholly-owned subsidiary of LSG (through LSG's shareholding in LSD). The Vendor is an investment holding company.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Each of LSG and LSD undertakes strategic reviews of their assets from time to time with a view to maximising returns to their respective shareholders.

The Agreed Property Value and the basis of determining the Consideration were arrived at after arm's length negotiations between the Purchaser and the Vendor. According to the valuation conducted by an independent valuer engaged by the Vendor, the valuation of the share of Surearn Profits in the Property as at 31 July 2025 was HK\$3,750,000,000. While the Agreed Property Value of HK\$3,498,000,000 represents a discount of 6.7% to the aforesaid valuation as at 31 July 2025, each of the LSG Board and the LSD Board has taken into account the prevailing and expected market dynamics under which deviations from property valuations are frequently observed, and has also considered factors including (i) the sentiment of the overall macro-economic and commercial property market in Hong Kong, which experience ongoing challenges and are expected to remain uncertain; (ii) the financial position and business operation of the LSG Group and the LSD Group; and (iii) the Disposal would provide immediate cash flow, with an estimated net cash inflow of approximately HK\$2,400,000,000, thereby enhancing the financial resources of the LSG Group and the LSD Group. In light of these factors, each of the LSG Board and the LSD Board considers that the discount, which does not deviate from market in any material respect, is both equitable and justifiable. The Disposal enables the Vendor to realise the value of property investment into cash, thereby enhancing the cashflow and financial position of the LSG Group and the LSD Group as a whole. Although each of the LSG Group and the LSD Group is expected to record a loss on the Disposal (under the section headed "Financial Effects and Use of Proceeds of the Disposal" below), these losses are non-cash items and the Disposal will improve the cashflow position of the LSG Group and the LSD Group. Each of the LSG Board and the LSD Board therefore concludes that it would be prudent for the Vendor to conduct the Disposal, and that the terms and conditions of the Sale and Purchase Agreement are fair and reasonable and in the interests of their respective companies and shareholders as a whole. Each of the LSG Board and the LSD Board also considers the basis in arriving at the Consideration to be fair and reasonable given that such amount is calculated based on the Agreed Property Value and the projected/estimated assets and liabilities of Surearn Profits on the Completion Date and that such amount will be adjusted based on the Final Completion Statement.

As at 31 July 2025, LSG Group and LSD Group had net current liabilities of HK\$5,420,000,000 and HK\$4,506,000,000, respectively. Taking into account the successful refinancing of Cheung Sha Wan Plaza syndicated loan on 30 September 2025 at the LSD Group level and assuming the completion of the Disposal, both LSG Group and LSD Group would turn from net current liabilities to net current assets.

FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL

Upon Completion, each of LSG and LSD will cease to hold any equity interest in Surearn Profits.

Solely for reference purpose, based on the estimated Consideration, the LSG Group is expected to record a loss on the Disposal of approximately HK\$269,000,000 and the LSD Group is expected to record a loss on the Disposal of approximately HK\$261,000,000. The aforesaid amount is arrived at based on the difference between the estimated Consideration of approximately HK\$3,473,000,000 and the carrying amount of the Sale Shares as at 31 July 2025 of approximately HK\$3,725,000,000, net of respective transaction costs and assuming the Disposal has taken place on 31 July 2025. The definitive amount of any gain or loss shall be adjusted taking into account the Consideration and subject to audit, which is expected to be recorded in the financial statements of each of LSG and LSD for the financial year ending 31 July 2026.

The net proceeds from the Disposal, after settling Surearn Profits' share of the expected outstanding DSL Loan and the LSD Loan, are expected to be approximately HK\$2,400,000,000 before transaction cost and are intended to be applied towards general working capital of the LSD Group including but not limited to operational and administrative expenses incurred in the course of ordinary business and the servicing of debt obligations and interests of the LSD Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Disposal exceeds 75%, the Disposal constitutes very substantial disposals for each of LSG and LSD pursuant to Rule 14.06(4) of the Listing Rules and are therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

LSG

The Disposal is subject to the approval of the LSG Shareholders at the LSG GM by way of poll. To the best of the knowledge, information and belief of the LSG Directors having made all necessary enquiries, no LSG Shareholders or any of their respective associates have any material interest in the Disposal. Therefore, no LSG Shareholders would be required to abstain from voting under the Listing Rules in the LSG GM for obtaining shareholders' approval for the Disposal.

LSG proposes to hold the LSG GM on Wednesday, 31 December 2025. The record date for determining the LSG Shareholders' entitlement to attend, speak and vote at the LSG GM is Tuesday, 23 December 2025. To ascertain the entitlement to attend, speak and vote at the LSG GM, LSG Shareholders must lodge the relevant transfer document(s) and share certificate(s) at the office of LSG's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 23 December 2025 for registration.

LSD

The Disposal is subject to the approval of the LSD Shareholders at the LSD GM by way of poll. To the best of the knowledge, information and belief of the LSD Directors having made all necessary enquiries, no LSD Shareholders or any of their respective associates have any material interest in the Disposal. Therefore, no LSD Shareholders would be required to abstain from voting under the Listing Rules in the LSD GM for obtaining shareholders' approval for the Disposal.

LSD proposes to hold the LSD GM on Wednesday, 31 December 2025. The record date for determining the LSD Shareholders' entitlement to attend, speak and vote at the LSD GM is Tuesday, 23 December 2025. To ascertain the entitlement to attend, speak and vote at the LSD GM, LSD Shareholders must lodge the relevant transfer document(s) and share certificate(s) at the office of LSD's share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on Tuesday, 23 December 2025 for registration.

Expected time for despatch of circulars

Each of LSG and LSD will despatch their respective circulars to the LSG Shareholders and the LSD Shareholders (as the case may be) containing, among other things, further details of the Disposal and other information as required under the Listing Rules, and the notice convening the LSG GM and LSD GM (as the case may be). Taking into account the time anticipated for preparing the necessary information for inclusion in the circulars, it is expected that the circulars shall be despatched to the LSG Shareholders and the LSD Shareholders (as the case may be) on or before 16 December 2025. If there is any delay in despatch of the circulars beyond 16 December 2025, LSG and LSD will make further announcement(s) as appropriate in accordance with the requirements of the Listing Rules.

Completion of the Disposal is subject to fulfilment of various conditions precedent as set out under the section headed "The Disposal – Sale and Purchase Agreement – Conditions precedent" in this joint announcement. Accordingly, the Disposal may or may not proceed. The LSG Shareholders and the LSD Shareholders and potential investors of LSG and LSD are therefore advised to exercise caution when dealing in the securities of LSG and LSD.

DEFINITIONS

In this joint announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreed Property Value”	HK\$3,498,000,000 being the value of the SPL Property as agreed between the Vendor and the Purchaser;
“Audited Completion Accounts”	the audited management accounts of Surearn Profits as at the Completion Date;
“Board”	the board of Directors;
“Business Day”	a day (other than Saturdays, Sundays, public holidays and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal or “extreme conditions” is hoisted in Hong Kong at anytime between 9:00 a.m. and 5:00 p.m. on weekdays) on which banks are open in Hong Kong to the general public for business;
“Capitalisation”	the capitalisation of the Vendor Loan as share capital of Surearn Profits in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Completion”	the completion of the sale and purchase of the Sale Shares free from Encumbrances together with all benefits and rights attached thereto in accordance with the terms and conditions of the Sale and Purchase Agreement;
“Completion Date”	the date of Completion, being 5 January 2026 which is subject to satisfaction or (if applicable) waiver of the relevant Conditions (or such other later date which may be mutually agreed by the Vendor and the Purchaser);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Consideration”	the consideration to be paid by the Purchaser to the Vendor for the Sale Shares free from Encumbrances together with all benefits and rights attached thereto on Completion pursuant to the Sale and Purchase Agreement;
“Conveyancing and Property Ordinance”	the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) (as amended, supplemented or otherwise modified from time to time);

“Deposit”	the amount in the sum of HK\$177,400,000;
“Diamond String” or “DSL”	Diamond String Limited (華力達有限公司), a private limited company incorporated under the laws of Hong Kong;
“Disposal”	the transaction contemplated under the Sale and Purchase Agreement, namely the disposal of the Sale Shares free from Encumbrances together with all benefits and rights attached thereto on Completion by the Vendor to the Purchaser;
“DSL Loan”	all advancement and facilities granted to Diamond String by a Lender on the security of the Property and other assets of DSL as provided in certain security documents executed in favour of a Lender to secure repayment of the DSL Loan;
“DSL Shares”	50% of all issued shares of Diamond String beneficially owned by and registered under the name of Surearn Profits;
“EGM Approval”	approval by the shareholders of LSD and LSG (other than those who are required to abstain from voting under the Listing Rules or the applicable laws, rules and regulations) of the Sale and Purchase Agreement at the LSD GM and LSG GM, respectively, provided that the controlling shareholders of LSD, and the controlling shareholders of LSG undertake to the Purchaser that they will exercise all their respective voting rights attached to all shares they hold in LSD and LSG, respectively, in favour of the resolution(s) to be proposed at the LSD GM and LSG GM, in compliance with the requirements of the Listing Rules;
“Encumbrances”	a mortgage, charge, pledge, lien, option, restriction, right of first refusal, right of pre-emption, third-party right or interest, other encumbrance or security interest of any kind, or another type of preferential arrangement (including a title transfer or retention arrangement) having similar effect and any agreement or obligation to create or grant any of the aforesaid;

“Escrow Account”	the escrow account for receipt and deposit of the Deposit and release in accordance with the Sale and Purchase Agreement;
“Final Completion Statement”	the Interim Completion Statement approved by the Purchaser or otherwise determined in accordance with the Sale and Purchase Agreement;
“GFA”	gross floor area;
“Group Companies”	collectively Surearn Profits and Diamond String;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Interim Completion Statement”	a completion statement, based on the Audited Completion Accounts, setting out its calculation of the Net Current Asset Value of Surearn Profits as at the Completion Date as prepared by the Vendor;
“Lender”	lender of the DSL Loan or the LSD Loan;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
“Long Stop Date”	27 February 2026 or such other date as may be agreed by the parties to the Sale and Purchase Agreement;
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);
“LSD Board”	the board of LSD Directors;
“LSD Directors”	the directors of LSD;

“LSD GM”	a general meeting of LSD to be convened and held for considering, and, if thought fit, approving the Disposal;
“LSD Group”	LSD and its subsidiaries;
“LSD Loan”	all advancement and facilities granted to LSD on the security of various assets of and the share in Surearn Profits as provided in certain security documents executed by the Vendor and/or Surearn Profits in favour of a Lender to secure repayment of the LSD Loan;
“LSD Shareholders”	the shareholders of LSD;
“LSG”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), the ultimate holding company of LSD;
“LSG Board”	the board of LSG Directors;
“LSG Directors”	the directors of LSG;
“LSG GM”	a general meeting of LSG to be convened and held for considering, and, if thought fit, approving the Disposal;
“LSG Group”	LSG and its subsidiaries, including the LSD Group;
“LSG Shareholders”	the shareholders of LSG;
“Net Current Asset Value”	the total current assets less the aggregate of all liabilities of Surearn Profits on Completion determined with reference to the Pro Forma Completion Accounts;
“Pro Forma Completion Accounts”	a pro forma statement of financial position of Surearn Profits as at Completion and a pro forma income statement of Surearn Profits for the period from 1 January 2025 to the Completion Date;
“Property”	all that piece or parcel of land registered in the Land Registry as Inland Lot No. 8736 together with all messuages, erections and buildings thereon located at No. 3 Connaught Road Central, Hong Kong;

“Purchaser”	Jasmine Investment Development IV Limited, a company incorporated in the British Virgin Islands with limited liability;
“Purchaser Loan”	an amount equivalent to the lesser of such amount in the sum of HK\$1,241,800,000 and the aggregate amount required for the redemption of DSL Loan and LSD Loan, which will be on-lent to LSD to redeem such loans before Completion;
“Purchaser Loan Security Documents”	security documents executed by the Vendor, Surearn Profits and/or LSD (as the case may be) in favour of the Purchaser to secure the Vendor’s obligation to release and return the Deposit and repay the Purchaser Loan;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 9 December 2025 in relation to the Disposal entered into between the Vendor, the Purchaser and LSD;
“Sale Shares”	collectively: (a) 1 issued ordinary share of Surearn Profits, representing the only issued share of Surearn Profits as at the date of the Sale and Purchase Agreement; and (b) 1 additional ordinary share of Surearn Profits to be issued to the Vendor pursuant to the Capitalisation, collectively representing all issued shares of Surearn Profits as at Completion, to be sold to the Purchaser;
“SPL Property”	the exclusive right and privilege to hold, use, occupy and enjoy specified parts of the Property, together with the corresponding undivided shares in the land and building to be allocated under the deed of mutual covenant of the Property, namely: first floor foyer area; the whole of the 5th, 6th, 7th, 8th (with flat roof), 9th, 10th (with flat roof), 11th, 12th, 15th, 22nd and 26th floors with a total GFA of approximately 111,622 square feet; and the 18 car parking spaces B2-1 to B2-10 on Basement 2 and B3-6 to B3-13 on Basement 3;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Surearn Profits”	Surearn Profits Limited, a private company limited by shares incorporated in the British Virgin Islands;

“Tenancies”	the leases, tenancy agreements or licence agreements to which the SPL Property is subject and includes, as the context may permit or require, any one or more of them, and all new or supplemental leases, tenancy agreements or licence agreements entered into prior to Completion with the Purchaser’s written consent in accordance with the terms of the Sale and Purchase Agreement;
“Tenants”	the lessees, tenants or licensees under the Tenancies;
“Vendor”	Transformation International Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LSD;
“Vendor Loan”	the loan owing by Surearn Profits to the Vendor immediately prior to the Capitalisation;
“Vendor’s Group”	the Vendor, all persons it controls and any persons that control the Vendor and all other persons controlled by any such person that controls the Vendor from time to time;
“Winding Up”	the voluntary winding up of Diamond String; and
“%”	per cent.

By Order of the Board
Lai Sun Garment (International) Limited **By Order of the Board**
Lam Kin Ngok, Peter **Lai Sun Development Company Limited**
Chairman *Chairman*

Hong Kong, 9 December 2025

As at the date of this joint announcement,

- (a) the LSG Board comprises six executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Cheung Sum, Sam, Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and four independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan, Chow Bing Chiu and Ng Chi Ho, Dennis; and
- (b) the LSD Board comprises four executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Cheung Sum, Sam, Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Mr. Lee Tze Yan, Ernest; one non-executive director, namely Madam U Po Chu; and four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Luk Hon Man.